

reSTORE DC

Commercial Property Acquisition and Development Program

Notice of Funding Availability March 12, 2004

Consistent with activities authorized by the Community Development Act of 1975 (D.C. Code Section 6-1006.) and pursuant to Mayor's Order 99-62 (issued April 9, 1999), the Deputy Mayor for Planning and Economic Development announces a ***Commercial Property Acquisition and Development Program*** ("CP-A&D") and issues this Notice of Funding Availability ("NOFA").

PROGRAM DESCRIPTION

The *Commercial Property Acquisition and Development Program* will provide matching grant funds for **non-profit corporations** to acquire, redevelop or build commercial properties located within the District of Columbia. The commercial property shall contain retail stores that appropriately serve the needs of customers in the property's trade area. Appropriateness shall be evaluated by analysis of the commercial revitalization strategy for the proposed project's neighborhood business district, as determined by a community development corporation, such as a local main street program or other commercial revitalization organization. Alternatively, the non-profit corporation could strategically invest the matching grant funds to retain, expand or attract a desirable retail business to commercial property in their neighborhood.

CP-A&D is designed to foster local ownership and facilitate the improvement of commercial properties throughout the District. CP-A&D funds are available to pay the capital costs of a variety of activities related to the acquisition and development of commercial properties, including:

- Site preparation
- Environmental remediation
- Site acquisition
- Site development
- Streetscape and infrastructure improvements
- Depreciable leasehold improvements

Applicants will be required either to attend training in how to develop commercial property or to demonstrate organizational proficiency and experience in commercial property development. If a CP-A&D applicant's request for funding can be met by an existing resource offered by the District, the applicant may be referred to that agency.

Program Administration

The program will be administered by the Office of the Deputy Mayor for Planning and Economic Development.

Total Funds Available

Up to \$5 million in matching grants will be available for CP-A&D in Fiscal Year 2004. Awards will range from a minimum of \$25,000 to a maximum of \$250,000, and require a cash match of 2:1 (i.e., \$2 must be raised privately for every \$1 contributed by the District). Eligible match sources include private and non-District public funds (e.g., federal). Match sources must be “in-hand” or pledged at the time of application, and must be pledged toward the proposed project. CP-A&D funding may be conditionally awarded based on obtaining funding commitments from other sources. Matching grant funds will be disbursed at settlement when all revenues are released from escrow.

Eligible Applicants

Any non-profit corporation operating in the District of Columbia, including areas designated as local DC Main Street programs, and whose goals include the economic revitalization of a neighborhood business district(s), may apply for a grant. A non-profit corporation may make application on behalf of an unincorporated group and serve as the fiduciary agent for the group. However, in this instance, the applicant must clearly outline project responsibilities; the applicant will be held accountable for achieving project outcomes. Unincorporated groups are still eligible to receive funding in the form of advisory services, training, and workshops, but not in the form of a direct cash outlay or cash grant.

Ineligible Applicants

Individual businesses are ineligible for a CP-A&D grant, except as sub-recipients of a grant awarded to an eligible recipient according to an approved grant agreement. For example, the capital costs of a for-profit business could be subsidized by an approved project, activity or program funded by a CP-A&D grant to a non-profit corporation.

Area of Program Interest

Retention, expansion and attraction of retail stores; creation of upper-story affordable housing above retail stores; and assisting retail tenants in the purchase of buildings are the priorities for CP-A&D funding. For FY 2004, CP-A&D encourages applicant organizations to apply for funding to assist projects that, in addition to street-level retail uses, also utilize the upper floors of commercial buildings for housing, particularly for retail workers. Occupying upper floors will provide the project with another source of revenue and help to “populate” the commercial corridor. Projects that offer expansion opportunities for existing retailers are also encouraged.

Applying for a Grant

Applications are accepted and reviewed on a rolling basis

Applications should be mailed or delivered any time to *reSTORE* DC, 1350 Pennsylvania Avenue, NW, Suite 317, Washington, DC, 20009. Applications should be submitted in the form of one typewritten, paginated, UNBOUND proposal.

Application Procedures

Applications will be reviewed as they are received prior to the NOFA deadline, which will be published at a future date. Applicants are required to complete a standard grant application developed by the Washington Regional Association of Grantmakers. This standard grant application should form the basis of the CP-A&D application. For more information, and to download the application guidelines, please refer to:

http://www.washingtongrantmakers.org/WG/GM_Resources/Format/Format_Index.asp.

Additional forms for project evaluation are available from *reSTORE* DC and must be submitted with the application. Go to <http://restore.dc.gov> to download forms, or contact David Toland at (202) 727-5209 or david.toland@dc.gov.

Applicant organizations should be certain to identify the following:

1. Property name and address, including Ward and Square/Lot numbers;
2. Proposed design for property (include photos or renderings, if possible);
3. Name and contact information of the property's current owner;
4. Name and contact information of the development company and project architect, if known;
5. Provide a list of relevant commercial projects with which the applicant organization had primary involvement and describe the organization's role.
6. Name and contact information of the proposed development team, if known;
7. Amount of funding requested and amount of match provided¹;
8. Description/brief history of property and surrounding area (include photos if possible);
9. Description of the proposed project to be funded and why it should be funded;
10. Description of any previous attempts to address the proposed site (including working with other D.C. agencies);
11. Identify any relationship between the developer and any person working for, appointed to a position in, or elected to an office of the District of Columbia Government, an instrumentality of the District of Columbia, or any other entity from which there may be even an appearance of conflict of interest;
12. Expected benefit to the neighborhood, including mention of appropriate coordination with a local Main Street program to ensure proposed acquisition or development fits in with an approved commercial revitalization strategy²;

¹ The applicant organization should provide information about all sources of funding to determine the "gap" to be closed by CP-A&D, which should encourage private investment at a reasonable rate-of-return (approximately ten (10) percent). The "gap" should be as small as possible in order to maximize CP-A&D funds.

13. Proposed “Sources and Uses of Funds” statement for development financing, as well as proposed project budget (income/expense statement) for rehab or new construction³;
14. Plan for owning/operating property once work is complete, how property will be managed;
15. Proof of non-profit status;
16. Letters of Support;
17. Letter of Intent to comply with applicable District Laws including, but not limited to, First Source Hiring, LSDBE procurement, compliance with tax liabilities and Apprenticeship Program; and
18. Financial report of applicant organization (i.e., recent independent audit, copy of Form 990, etc.).

Projects will undergo a review of design appropriateness according to specific design guidelines provided by the Office of Planning, and should comply with the Secretary of the Interior’s Standards for Rehabilitation.

Applications will be internally reviewed by reSTORE DC staff, and may also be reviewed by members of the Commercial Revitalization Task Force. The Task Force is comprised of representatives from the following agencies and private programs:

1. Deputy Mayor for Planning and Economic Development
2. Department of Housing and Community Development
3. Office of Planning
4. District Department Of Transportation
5. Department of Banking and Financial Institutions
6. National Main Street Center
7. D.C. Marketing Center
8. Georgia Avenue Business Resource Center
9. Clean City Program

Additional comments may be sought from staff of the Office of Planning (including neighborhood planners and/or the project manager for Revitalization Planning) and/or Neighborhood Service Coordinators in the Office of the City Administrator and Neighborhood Outreach Coordinators in the Mayor’s Office of Public Advocate.

Evaluation Criteria

CP-A&D applications will be evaluated according to the following:

- Information provided in the application (20 points)

² The proposed project should conform with the approved commercial revitalization strategy for the neighborhood, employ District residents, and generate retail sales tax revenue.

³ Contact reSTORE DC (<http://restore.dc.gov>; david.toland@dc.gov or 727-5209) for special forms.

- Financial need (10 points)
- Economic conditions, including internal rate of return to private investors (10 points)
- Likelihood of implementation following funding (20 points)
- Benefit to the commercial district and neighborhood (30 points)
- Positive Impact on the availability of affordable housing in the commercial district and neighborhood (10 points)

Applications will be scored a maximum of 100 points according to the evaluation criteria. Applications that receive the highest scores will be recommended for funding and reviewed by the Deputy Mayor for Planning and Economic Development. Funding awards may be conditional upon the applicant completing a task or action related to the project. For example, if the review committee determines that the scope of the project is too complex to be addressed as described in the application, funding could be awarded for a portion of the acquisition and development. Or, if the request for funding is not supported by a key neighborhood stakeholder, the award could be conditional upon demonstration of support from that key individual or organization. CP-A&D funding may be conditionally awarded based on obtaining funding commitments from other sources. Also, the Applicant Organization must have some form of contract of sale or agreement (i.e. option to purchase) or a signed lease, which may be contingent upon award of grant(s); for construction grants, the applicant should have accurate cost estimates for redevelopment/construction costs.

Disbursement of Funds

Grants will be disbursed according to an approved grant agreement between the Deputy Mayor and the grant recipient organization.

Reporting Requirements

The applicant organization will be held accountable for project implementation. Therefore, recipients will be required to document and report the use of funds. Reports must be delivered bi-monthly after the date of delivery of the funding, and upon the completion of the project.